

**BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

**COLUMBIA, SOUTH CAROLINA**  
*[Hearing held in West Columbia, SC]*

**HEARING #10786**

**June 15, 2005**

**6:30 P.M.**

**DOCKET NO. 2006-92-W/S:** *Application of Carolina Water Service, Incorporated for Adjustment of Rates and Charges for the Provision of Water and Sewer Service.*

**HEARING BEFORE:** Randy MITCHELL, CHAIRMAN, G. O'Neal HAMILTON, VICE CHAIRMAN; and COMMISSIONERS David A. Wright, Elizabeth B. "Lib" Fleming, John E. "Butch" HOWARD, Mignon L. CLYBURN, and C. Robert MOSELEY.  
Legal Advisor to Commission: Randal Dong, Esq.

**CHIEF CLERK/ADMINISTRATOR:** Charles L.A. Terreni

**DEPUTY CLERK:** Jocelyn G. Boyd, Esq.

**CHIEF LEGAL ADVISOR:** Randal Dong, Esq.

**STAFF:** James B. Spearman, Josh Minges, and Patti Sands Esq., Hearing Room Assistants.

**APPLICANTS:** Carolina Water Service, John S. Hoefer, Esquire

**REPRESENTATIVES:** C. Leslie Hammonds, April Sharp and Nanette S. Edwards, Representing the OFFICE OF REGULATORY STAFF.

**6:30 NIGHT HEARING:** Oakwood Baptist Church, West Columbia, South Carolina.

**TRANSCRIPT OF TESTIMONY AND PROCEEDINGS**

**VOLUME 4**

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1 CHAIRMAN MITCHELL: On behalf of the  
2 Public Service Commission we certainly  
3 welcome you to the hearing here tonight.  
4 We are glad that you turned out, and we  
5 certainly wish to listen to what you have  
6 to say. We want you to come up and  
7 express your views. That's why we're  
8 here.

9 Let me just first quickly introduce  
10 the Commission. To my far left we have  
11 Butch Howard. Beside him is David  
12 Wright. Beside David is Bob Moseley.  
13 And to my far right is Lib Fleming, and  
14 then Mignon Clyburn and O'Neal Hamilton  
15 is right here. My name is Randy  
16 Mitchell, and I'm the chair. And we have  
17 our counsel with us.

18 At this time I'm going to let you  
19 introduce yourself, Randal, and move  
20 forward with the explanation of exactly  
21 our purpose here tonight.

22 MR. DONG: Good evening. My name is  
23 Randal Dong, and I'm one of the lawyers  
24 on the staff of the Public Service  
25 Commission. And we're here for a night

1 hearing for Carolina Water Service, who  
2 has applied for a rate increase. I would  
3 like to just talk to you a minute about  
4 what these hearings are. Several of you  
5 have probably been here before.  
6 Basically why you're here is for you to  
7 offer testimony at your convenience about  
8 Carolina Water Service and their  
9 application. We would basically remind  
10 you that you may say everything that you  
11 want to, and just to report to us so we  
12 can put your testimony into the hearing.  
13 You will be asked questions by the  
14 Commissioners or by the Company lawyer,  
15 Mr. Hoefer, seated over there at the  
16 table, or by the Office of Regulatory  
17 Staff. They have a couple of lawyers  
18 over here who are Ms. Hamilton and Ms.  
19 Edwards. And they will be also possibly  
20 asking you some questions. You cannot  
21 offer testimony both at a night hearing  
22 and at the merit hearing, which is held  
23 on July the 20th at 10:30 AM in the  
24 Commission's offices. Now, if another  
25 person ahead of you says what you would

1 like to say, it's perfectly fine to say  
2 that you agree with that person. We want  
3 to encourage you to come forward and  
4 speak your mind. If you choose to come  
5 forward and testify that's great. If you  
6 choose to merely say that you agree with  
7 what's been previously said that's fine,  
8 too. And tonight's focus is on you. But  
9 we thank you for taking the time to be  
10 here and offering your testimony.

11 CHAIRMAN MITCHELL: Thank you,  
12 Randal. And I believe Randal did  
13 mention, at our head table here we  
14 certainly have people who are very  
15 qualified to answer any questions. So as  
16 we go through the hearing and once we  
17 adjourn, if you have any questions, we  
18 have representatives from the Company,  
19 Mr. Hoefer. We have representatives from  
20 ORS both, as we stated earlier, are  
21 present here, Ms. Hamilton and Ms.  
22 Edwards, to answer any questions that you  
23 might have about what was said or to fill  
24 in other details. So feel free to talk  
25 to them. They will remain after the

1 hearing, so feel free to come up and ask  
2 them anything that you like.

3 We also happen to have with us  
4 tonight, your representative in Columbia  
5 who is well known, Ted Pitts. He has  
6 constituents in this area. And Ted, if  
7 you would come forward. We would  
8 certainly like to hear anything you would  
9 like to say.

10 **REPRESENTATIVE TED PITTS,**

11 Having been first duly sworn, testified as follows:

12 My name is Ted Pitts. First of all, I want to  
13 thank you all for holding this hearing. It seems like  
14 we meet this way too often, every other year, it seems  
15 like, I'm here dealing on this same issues with my  
16 constituents. As I know you will do, I will ask you to  
17 listen to them, listen to their testimony and take that  
18 to heart and realize that what they are saying is very  
19 important to them. And I know you'll do that.

20 I would also like to say that, you know, as you  
21 look at the facts in this case, look at both sides of  
22 the situation and please be fair to both parties. I  
23 think we will hear some testimony tonight that is very  
24 interesting to a point which people out here are tired  
25 of the rates industry. They are tired of paying high

1 rates, and I would ask that you just listen to that, and  
2 I appreciate you having this hearing here this evening.

3 CHAIRMAN MITCHELL: Thank you  
4 Representative Pitts. Ms. Bryant, I  
5 believe you've been here several times  
6 before, and we're going to - would you  
7 like to come and testify or are you  
8 planning to testify? If you are, we  
9 would like to ask if you would like to  
10 come forward now, because I believe you  
11 have a little presentation you wanted to  
12 make to us; is that correct?

13 **BRENDA BRYANT,**

14 Having been first duly sworn, testified as follows:

15 My name is Brenda Bryant. I live at 264 Ashton Circle,  
16 Lexington, 29073.

17 CHAIRMAN MITCHELL: If you would like to  
18 hold on a second, I think Mr. Hoefer has  
19 something to say.

20 .MR. HOEFER: Yes, Mr. Chairman, at this  
21 time I would like to reiterate or give an  
22 objection that's been made prior to the night  
23 hearing, just for any kind of things this lady  
24 is going to say. The applicant would like to  
25 state the objection to customer testimony that

1 was regarding customer service, quality of  
2 service and customer waiting issues. The  
3 basis of this objection is to receive the  
4 testimony would deny due process of law,  
5 permits the complaint procedures established  
6 under the law and Commission regulation to be  
7 circumvented, and is not a proper basis to  
8 determine just and reasonable rates. In  
9 support of this objection, the Applicant cites  
10 Patton Versus PSC, 312 S.E.2d 257, the order  
11 of the Court of Common Pleas in Tega Cay Water  
12 Service versus PSC in Civil Action No. 97-CP-  
13 40-0923, and the Commissions' Order No. 1999-  
14 191, Docket No. 96-137-WS. The Applicant  
15 would request that this objection be deemed a  
16 continuing objection such that there would not  
17 be a need for repeated objections each time a  
18 customer testifies to matters of this nature  
19 and cites in support of that request State  
20 versus Douglas, 626S.E.2d 59. The Applicant  
21 would also request that this objection applies  
22 to any documents and testimony elicited from  
23 customers under examination by ORS or the  
24 Commission, and that the Chairman defer ruling  
25 over this objection until a final order is



1 issued in this case.

2 CHAIRMAN MITCHELL: Ms Hamilton.

3 MS. HAMILTON: Thank you, Mr. Chairman.

4 ORS does not oppose to the procedures to which  
5 the Company suggested. But we are giving an  
6 objection in that we do not agree that a  
7 complaint has to be substantiated with  
8 anything other than the testimony, itself.  
9 And therefore whoever would give testimony  
10 tonight would be subject to it being at the  
11 night hearing. We also do not agree with the  
12 legal events filed by the company in that  
13 their position is based upon the continued  
14 objection. We ask that the Commission take  
15 note of our position. We would also like to  
16 reserve our rights to respond to the company's  
17 objection for a full writing, and ask for a  
18 continuing objection offered to the objections  
19 of the Applicant.

20 Mr. Chairman, we also would like to  
21 request the Company to file with the  
22 Commission a letter from some time - a  
23 reasonable time after reviewing the transcript  
24 for the night hearing, in which the company  
25 would specifically state those portions of the

1 testimony that they are objecting to, the  
2 reasons for their objections and identifying  
3 the speaker. So I think everyone here tonight  
4 or everybody else would go to the website and  
5 see what testimony was objected to. I feel  
6 like this is a fair request and hope it is one  
7 that we can agree to.

8 CHAIRMAN MITCHELL: Mr. Hoefer?

9 MR. HOEFER: We do not deny that request,  
10 Mr. Chairman.

11 CHAIRMAN MITCHELL: At this time I'm  
12 going to rule that we're going to move  
13 forward. We are to listen to the public and  
14 the presentation. That's what the present  
15 Commission is going to do and this is what you  
16 all have to say and anything pertaining to  
17 what rules, as I said, we will rule in the  
18 final order. Ms. Bryant, please.

19 THE WITNESS: Thank you. Commissioners,  
20 also, I would like to address his point. I  
21 think earlier today your counsel in regard to  
22 - I would like to be able to address the  
23 Commission tonight in the public hearing, but  
24 I reserve my right to also address the  
25 Commission in the evidentiary hearing. And I

1 have spent time earlier today with counsel and  
2 asked them to recite to me the rules that  
3 would prohibit me from speaking at the  
4 evidentiary hearing or at least file a motion  
5 to intervene at the time.

6 CHAIRMAN MITCHELL: Thank you, Ms.  
7 Bryant. I'm going to let our counsel address  
8 the reasons for that, and then I will get you  
9 a ruling after that. Thank you, sir.

10 MR. BRYANT: Thank you, sir.

11 MR. DONG: Ms. Bryant, the Commission has  
12 regulations. Primarily the ones that are  
13 relevant to your inquiry are Section 103-869  
14 and 103-870. 107-869 says the Commission has  
15 the discretion to limit testimony that is  
16 merely repetitive, that is where people repeat  
17 testimony that has already been said. And No.  
18 870 basically also says the Commission has the  
19 right to limit repetitious testimony. And as  
20 you and I have spoken this morning, that would  
21 be the regulations that we would rely on that  
22 would rule for the Commission.

23 CHAIRMAN MITCHELL: Do you have any  
24 response, Ms. Bryant?

25 MS. BRYANT: The only thing is I

1 certainly understand what was stated about  
2 repetitious. However I think being here  
3 tonight and representing myself and hopefully  
4 being able to speak tonight for some of the  
5 concerns about the community, I would  
6 certainly appreciate it if the Chair would  
7 allow me that opportunity. And also I will be  
8 filing a motion to intervene out of time. And  
9 of course, if I need to, I will get an  
10 attorney to speak for me at the evidentiary  
11 hearing.

12 CHAIRMAN MITCHELL: Ms. Bryant, I'm going  
13 to rule since you feel the dire need to give a  
14 presentation at both this hearing and our  
15 hearing that will be held at the Commission  
16 office, that you be allowed to do that.

17 MS. BRYANT: Thank you.

18 CHAIRMAN MITCHELL: And we will move that  
19 in.

20 MS. BRYANT: Thank you.

21 BY MS. BRYANT:

22 It's very nice to stand before you and see some  
23 faces that I haven't seen in awhile. It's been awhile  
24 since I've seen Commissioner Moseley, and it's very nice  
25 to see you. And of course Commissioner Clyburn, I

1 believe I did have the opportunity to stand before her  
2 before and here today. And thankfully tonight we could  
3 say that it has been a few years that the company sort  
4 of gave us a break. But it looks like they are going to  
5 revive me again.

6 Tonight I would like to say that it's enough. This  
7 is enough. \$42.00 a month for sewer is just literally  
8 ridiculous. I go on record tonight objecting to the \$42  
9 increase - to the increase of any increase on our water  
10 bill. I see no justification for it.

11 I raised an issue about five years ago when  
12 Carolina Water was forced to close down their 18 wells  
13 and to tie in to West Columbia. During that time, all  
14 those years beforehand our community has been getting  
15 rate increases based on the upkeep of the wells and  
16 expenses to treat the water. Well, I raised this  
17 important issue, not because 18 wells were closed down,  
18 then the customers should no longer have been being  
19 charged for the treatment of 18 wells, because they have  
20 not been treated since those wells were closed down. I  
21 raised the issue that instead the customers actually  
22 should be given a rate decrease instead of an increase.  
23 That issue has not been ever addressed. So how can you  
24 justify continuing to charge the community, the  
25 customers for the upkeep of the 18 wells that the

1 company has not done.

2 The only thing that I'm here to say tonight is  
3 hopefully some of my neighbors and people who live in  
4 the community support us that we're just asking for you  
5 to say, absolutely no more money for this company, not  
6 any more money. We really feel that there should be  
7 something done that we should not have to pay Carolina  
8 Water to buy water from West Columbia just to turn  
9 around and charge us. We have a lot of families that  
10 live in this community. There are fixed-income  
11 families, we have a lot of families that live out here  
12 that have four children, they're trying to pay this,  
13 plus with all the other expenses that have gone up.  
14 There is just no justification for the increase in the  
15 water and sewage. Any questions?

16 CHAIRMAN MITCHELL: Are there any  
17 questions of Ms. Bryant? Commissioner  
18 Clyburn?

19 EXAMINATION

20 BY COMMISSIONER CLYBURN:

21 Q Ms. Bryant, it's been a couple of days since I've seen  
22 you.

23 A Yes, it has.

24 Q You mentioned your address as Ashton Circle. Would you  
25 remind me or tell me what your community is?

1 A We live in Bryan Forest which is actually right across  
2 from the elementary school

3 Q And how long have you been a resident?

4 A About 16 years, just in that community.

5 Q And again, could you give me a picture as it relates to  
6 the type of service that you receive from CWS?

7 A Well, actually, as far as the - as I said, the water and  
8 the sewer, the water is, of course, purchased from West  
9 Columbia, and then they sell that to us, which I think  
10 feel that that has been like Kmart running out of  
11 something and going to WalMart and then recharging you a  
12 higher price to come back down to Kmart. And I think,  
13 you know, this is a problem that even the Carolina  
14 Water, if they purchase water from them and they are  
15 recharging that back to us.

16 Q Okay. That wasn't the basis of my question. Since you  
17 went there have you spoken with anybody at the community  
18 meetings or some of the city fathers about just that?

19 A Yes, I have.

20 Q And what type of response have you gotten, and I know  
21 Mr. Hoefer is bound to object.

22 A Well, if he's going to object -

23 MR. HOEFER: Just to satisfy the  
24 Commissioner, I'm going to object.

25 A Just to satisfy -

1 MR. HOEFER: I know it's overruled. I  
2 need to strike the objection.

3 A But to note that, we had talked to some of our  
4 neighboring cities about petitioning to annex into the  
5 city so we would actually be out-of-town customers. We  
6 have actually talked about incorporating our area.  
7 There is a possibility of becoming a town ourselves and  
8 filing to condemn their water if at all possible. But,  
9 you know, our major concern is that I see no  
10 justification for the rate increase. There have been no  
11 changes in the service. You know, they change - it's  
12 not like - it's not like the water can be improved. I  
13 mean, it should be, but it's not like they have plans to  
14 improve the water. So with that -

15 Q And I was going to - you've gone into where I wanted to  
16 go in terms of this type of - in terms of what I would  
17 call quality water. Can you give me a picture as to  
18 what your service, day to day, looks like?

19 A (No Response.)

20 Q Any problems with the service?

21 A (No Response.)

22 Q Do you drink the water?

23 A No, I have not. I do not drink the water.

24 Q Why don't you drink the water?

25 A As far as I'm concerned I still don't like the water.



1 It still has a little bad taste to it. I don't drink  
2 the water.

3 Q How is your water pressure?

4 A The water pressure is better than it used to be. I've  
5 actually got it turned - got it hooked up to West  
6 Columbia. Water pressure is better but the water - to  
7 me the taste of the water is not good. We've got  
8 bottled water and drink bottled water all the time.

9 Q Is there any type of smell?

10 A Yes, there is a smell. And there is a lot of rust. I'm  
11 not sure if it's because there are a lot of minerals in  
12 the lines and the pipes themselves.

13 Q And you say pipes, do you mean in the commode and your  
14 sink?

15 A Yes. A lot of rust, a lot of rust.

16 COMMISSIONER CLYBURN: Thank you.

17 EXAMINATION

18 BY CHAIRMAN MITCHELL:

19 Q Ms. Bryant, you touched on briefly, you talked about the  
20 wells that exist and that didn't exist. Do you have  
21 some time frame of that? Can you give me a brief little  
22 history of what you're speaking about?

23 A If Bill Richardson was here, he's been long enough here  
24 that we had one of our - not to say that you're old  
25 Bill, but Bill's been around with the Commission a long

1 time. And he probably could help me a little bit with  
2 this.

3 Q I don't think he can do that tonight. Just tell me of  
4 your knowledge.

5 A Probably around the year 2000, 1999, 2000, the wells  
6 were ordered to be closed around on about that time  
7 frame, which has been five or six years ago, sorry about  
8 that, Bill.

9 Q And it's your position that since the wells were closed  
10 up it's been added?

11 A That's correct. In fact, again, I reiterate this, every  
12 year that Carolina Water sought a rate increase and  
13 obtained a rate increase, which is about nine increases  
14 in a row, every year they got rate increases yearly.  
15 And every time they go to the Commission for their rate  
16 increases they stated that they were to upgrade their  
17 systems and increase the wells because of all the  
18 mineral content in the water. When they shut the wells  
19 down they were ordered to close down the 18 wells. DHEC  
20 ordered that. They - all those wells should be closed  
21 down. They no longer now are using the chemicals that  
22 for nine years they got rate increases for. So  
23 therefore, those expenses should be put back in and  
24 given back to the customers. Why should we be charged  
25 for what they are not using any longer? And that's in

1 your books, by the way. I happen to have a file of it.  
2 I was able to find the records. I do not have them with  
3 me presently, but I do have the records to show how many  
4 rate increases and how much expenses that they were  
5 charging the customer to treat those wells. Again,  
6 there has been no rate decrease, and in fact, there  
7 wasn't any more money.

8 CHAIRMAN MITCHELL: Any other  
9 questions? Commissioner Clyburn?

10 EXAMINATION

11 BY COMMISSIONER CLYBURN:

12 Q You mentioned the wells again, Ms. Bryant. Do you know  
13 who has ownership or responsibility for the wells?

14 A Carolina Water still owns the wells, but of course there  
15 is no maintenance.

16 CHAIRMAN MITCHELL: Are there any  
17 other questions?

18 MR. HOEFER: Yes, Mr. Chairman.

19 CHAIRMAN MITCHELL: Mr. Hoefer?

20 EXAMINATION

21 BY MR. HOEFER:

22 Q Ms. Bryant, do you work outside the home?

23 A Not at a public job, I'm actively involved.

24 Q But are you employed outside the home?

25 A No.

1 Q And you say you had a problem with rust in your water?

2 A Yes.

3 Q Can you tell me approximately when that was?

4 A Continuously.

5 Q And when was the last time you told the company about  
6 that?

7 A I haven't said anything. There's not a need to. I  
8 don't think it's going to be fixed.

9 Q And you think it was in the last year, two years?

10 A Oh, yes, probably since last year.

11 Q The last public hearing you attended. So that would  
12 have been what, 2000?

13 A No, we had one about two years ago.

14 Q But you complained prior to two years ago about rust in  
15 your water?

16 A Oh, yeah.

17 Q And you know how to get in touch with the company.

18 A Oh, yeah.

19 Q When you're unable to pay, does the company work with  
20 you?

21 A I don't know if that's a personal matter that should not  
22 be addressed. I'm going to object to that question, Mr.  
23 Hoefer. I object to that question. You should never  
24 have brought up when I pay my bills.

25 MR. HOEFER: Mr. Chairman, this is wide

1 open.

2 CHAIRMAN MITCHELL: Ma'am, you can simply  
3 state what it is you want to state and we'll  
4 move forward.

5 THE WITNESS: But I object to that line  
6 of questioning.

7 BY MR. HOEFER:

8 Q Is your answer yes or no?

9 A I'm not going to answer it, I object.

10 Q Do you know of your own knowledge whether or not -

11 CHAIRMAN MITCHELL: I'm going to overrule  
12 your objection. Move on.

13 BY MR. HOEFER:

14 Q Do you know if these wells you're referring to have been  
15 included by the Commissioner in the rate base in the  
16 last two rate increases, of your personal knowledge?

17 A They never changed the rate bases for those wells.

18 Q My question is, do you know of your personal knowledge  
19 whether or not the wells that you've referred to in the  
20 Public Service Hearing have been included in the rate  
21 base by the -

22 A They have been in audit.

23 Q What audit are you referring to?

24 A The yearly audit that the Commission does for the  
25 expenses.

1 Q If the wells were not included in the rate bases, would  
2 you complain about these wells?

3 A If they were not included?

4 Q Yes. If the wells were not included in the rate base,  
5 you can't complain about them, right?

6 A As long as we're not being charged for chemicals and the  
7 maintenance of them, but we are still being charged  
8 because there has never been an adjustment to any one.

9 MR. HOEFER: That's all the  
10 questions, Mr. Chairman.

11 CHAIRMAN MITCHELL: Thank you very  
12 much, Ms. Bryant.

13 MS. BRYANT: Thank you very much,  
14 Mr. Chairman.

15 CHAIRMAN MITCHELL: Mr. Dong, would  
16 you call the next witness?

17 MR. DONG: Mr. James Manning.

18 **JAMES D. MANNING,**

19 Having been first duly sworn, testified as follows:

20 Mr. Chairman, the Public Service Commission, my  
21 name is James D. Manning. I live at 734 Mossborough  
22 Drive, Lexington, South Carolina, 29073. I'm a  
23 residential customer of Carolina Water Service. My  
24 testimony is opposing the application to increase the  
25 rates and charges on Docket No. 2006-92-WS. When I was

1 given notice that Carolina Water Service had filed an  
2 application to increase their rates, I noticed the  
3 mailing was from Illinois. This is a suburb of Chicago.

4 I noticed also that the remittance address was in  
5 Charlotte, North Carolina. It was then that I realized  
6 that we were not dealing with local people. If this is  
7 not true, I would like to request that the company  
8 provide me with the name, address and telephone number  
9 of your registered agent in Lexington County.

10 The State newspaper in a front page story on April  
11 the 27th, 2006 stated that the water and sewer bill for  
12 Columbia residents, excuse me, at 7,500 gallons per  
13 month would be \$43.38. This equates to a charge of  
14 5.784 dollars per thousand gallons. The Lexington  
15 County Chronicle in a story on Thursday, May the 18th,  
16 2006 edition stated that a proposed residential rate for  
17 West Columbia for in-town water and sewage customers  
18 would be \$20.35 bimonthly based on 6,000 gallons of  
19 usage. Note that this is bimonthly or 10.18 per month.  
20 This equates to a charge of 1.695 dollars per thousand  
21 gallons. Out of town customers would pay 39.15  
22 bimonthly or 3.26 dollars per thousand gallons. I  
23 looked at my Carolina Water Service bill paid on April  
24 the 6th, 2006. I chose this bill for two reasons;  
25 first, it covered a period from February the 20th, 2006

1 to March the 21st of 2006, a period of 29 days. And  
2 second, my consumption was 7,360 gallons, which is,  
3 according to the State, a typical residential  
4 consumption. My bill was \$93.21, a cost of \$12 - 12.66  
5 dollars per thousand gallons.

6 Let's review those figures again. West Columbia,  
7 1.695 dollars per thousand, Columbia, 5.784 dollars per  
8 thousand, Carolina Water, current, 12.66 dollars per  
9 thousand gallons. Carolina has more than doubled and  
10 wanting more. There is something basically wrong here.  
11 On April the 26th I wrote the Commission requested  
12 audited copies of the last three years of their  
13 financial statements, including balance sheets and  
14 salaries of all the corporate officers. I would like to  
15 add the district copy of the corporate minutes of the  
16 annual meeting for the last three years.

17 On May the 17th, 2006 the Commission issued Order  
18 No. 206-284 and states that Carolina Water should  
19 recover the costs of an audit from its customers, and  
20 that Carolina Water wants a petition and impact summary  
21 be afforded, confidential treatment, and to be  
22 protected. The Commission has entered this request to  
23 confidentiality. Why was this done? Do they have  
24 something to hide?

25 Carolina stated that "proposed water and sewer rate



1 increases are necessary", among other things, "to earn a  
2 reasonable return on its investment and attract  
3 capital". It almost sounds as if they think they're  
4 entitled to it. They are not entitled to it. They have  
5 to earn it.

6 I requested for financial information that has been  
7 totally ignored. I was not given the proper courtesy of  
8 a reply of any kind. This is not acceptable.

9 Therefore, I must demand the following information be  
10 provided to me from Carolina Water at no charge.

11 No. 1, The source of water.

- 12 A. Carolina Water
- 13 B. City of Columbia
- 14 C. City of West Columbia
- 15 D. City of Cayce
- 16 E. Town of Lexington

17 No. 2, Cost of water as a percent of net revenue:

- 18 A. Carolina Service
- 19 B. City of Columbia
- 20 C. City of West Columbia
- 21 D. City of Cayce
- 22 E. Town of Lexington

23 No. 3, Cost of sewer as a percent of revenue:

- 24 A. Carolina Water Service
- 25 B. City of Columbia

1 C. City of West Columbia

2 D. City of Cayce

3 E. Town of Lexington

4 No. 4, Cost of labor as a percent of revenue:

5 A. Carolina Water Service

6 B. City of Columbia

7 C. City of West Columbia

8 D. City of Cayce

9 E. Town of Lexington

10 No. 5, Overhead cost as a percent of revenue:

11 A. Carolina Water Service

12 B. City of Columbia

13 C. City of West Columbia

14 D. City of Cayce

15 E. Town of Lexington

16 No. 6, Administrative costs as a percent of revenue:

17 A. Carolina Water Service

18 B. City of Columbia

19 C. City of West Columbia

20 D. City of Cayce

21 E. Town of Lexington

22 No. 7, Net income as a percent of revenue:

23 A. Carolina Water Service

24 B. City of Columbia

25 C. City of West Columbia

1 D. City of Cayce

2 E. Town of Lexington

3 No. 8, Current ratio of water and sewer department:

4 A. Carolina Water Service

5 B. City of Columbia

6 C. City of West Columbia

7 D. City of Cayce

8 E. Town of Lexington

9 No. 9, Quick ratio of water and sewer department:

10 A. Carolina Water Service

11 B. City of Columbia

12 C. City of West Columbia

13 D. City of Cayce

14 E. Town of Lexington

15 No. 10, Acid test ratio

16 A. Carolina Water Service

17 B. City of Columbia

18 C. City of West Columbia

19 D. City of Cayce

20 E. Town of Lexington

21 No. 11, Basic cash on hand, water and sewer department:

22 A. Carolina Water Service

23 B. City of Columbia

24 C. City of West Columbia

25 D. City of Cayce

1 E. Town of Lexington

2 No. 12, Current asset turnover, water and sewer department:

3 A. Carolina Water Service

4 B. City of Columbia

5 C. City of West Columbia

6 D. City of Cayce

7 E. Town of Lexington

8 No. 13, Current asset turnover, waste and sewer department:

9 A. Carolina Water Service

10 B. City of Columbia

11 C. City of West Columbia

12 D. City of Cayce

13 E. Town of Lexington

14 No. 14, Fixed asset turnover, water and sewer department:

15 A. Carolina Water Service

16 B. City of Columbia

17 C. City of West Columbia

18 D. City of Cayce

19 E. Town of Lexington

20 No. 15, Equity ratio, water and sewer department:

21 A. Carolina Water Service

22 B. City of Columbia

23 C. City of West Columbia

24 D. City of Cayce

25 E. Town of Lexington

1           No. 16, Certified statement that Carolina Water  
2           Service has satisfied the three conditions for the  
3           Internal Revenue Service regulation regarding the  
4           consumption of residents in the city where the officers,  
5           directors and top management personnel are located.

6           The prices have more than doubled for those in the  
7           area. Have their costs more than doubled? Are their  
8           costs out of control? Are they top heavy with  
9           executives? Are they using obsolete technologies? All  
10          these questions deserve an honest answer. If Carolina  
11          Water Service is not satisfied it might be best for them  
12          to sell themselves to a local company.

13          The Public Service Commission of South Carolina  
14          website lists the Commissions mission statement and  
15          goals. None of these statements and goals seeks to  
16          insure that within a more competitive utility  
17          environment that core or captive customers with little  
18          market power are not unduly burdened with the cost of  
19          competition, and have provided appropriate service and  
20          service options. I hereby request that the Commission  
21          not only deny this rate increase, but also ask Carolina  
22          Water to show cause why the rates should not decrease in  
23          line with the other local utilities. Thank you.

24                           CHAIRMAN MITCHELL: Yes, sir, we  
25                           appreciate your comments, but I'm going to our

1 attorney first, and then I'm going to comment  
2 afterwards as to actually how under the new  
3 law, Act 175 which was passed by the General  
4 Assembly who does what in a rate increase.

5 MR. DONG: Mr. Manning, thank you for  
6 your comments. Act No. 175 makes the Public  
7 Service Commission a quality judicial agency.  
8 What that means is this Commission operates as  
9 support. We cannot do - this agency cannot do  
10 research or things of that nature to advocate  
11 one side or another. There is the Office of  
12 Regulatory staff, which some of the functions  
13 that used to be under the PSC under Act 175  
14 are now formed by the Office of Regulatory  
15 Staff, and they would be the consumer conduit.  
16 They are the folks who take consumer  
17 complaints and who pursue those kinds of  
18 events.

19 CHAIRMAN MITCHELL: And for further  
20 clarification, the Commission itself only  
21 hears the case that's brought before the  
22 Commission. We don't have auditors now. Our  
23 auditors are with the Office of Regulatory  
24 Staff. So any information that you would send  
25 me, as far as your letter, was passed on, or

1 so I was told, to the Office of Regulatory  
2 Staff and the Company. And you understand  
3 that the Commission itself now, the judicial  
4 body that only hears the case. So any  
5 discovery is done by the Office of Regulatory  
6 Staff and any information that the company  
7 would like to provide to you. Do you  
8 understand that?

9 THE WITNESS: I understand, but how can I  
10 now get the financial information?

11 CHAIRMAN MITCHELL: I'm telling you it  
12 was passed on, your letter, to the Office of  
13 Regulatory Staff. Any questions?

14 EXAMINATION

15 BY COMMISSIONER CLYBURN:

16 Q Let me ask you a question to make sure. I see a puzzled  
17 look on your face. Are you a resident of Brightenburg  
18 (sic), also?

19 A No, Woodbury Forest.

20 Q Woodbury Farms?

21 A Forest.

22 Q Forest, I'm sorry. And how long have you been a  
23 resident?

24 A I bought the house in May of 2003 and moved into it in  
25 October of 2003.

1 Q And also you have to realize that I'm going to get into  
2 trouble with the Chairman and the Attorney, but if you  
3 have any questions, the enumeration that you were  
4 talking about, you need to see those two young ladies on  
5 the right or the attorneys.

6 A Okay.

7 Q We're not allowed to have one-on-one communication  
8 anymore with the public.

9 A Okay. I understand.

10 CHAIRMAN MITCHELL: And they will be  
11 present after this hearing where you can ask  
12 any question you like.

13 THE WITNESS: Okay.

14 CHAIRMAN MITCHELL: I would like - would  
15 you like your testimony, if you want to give  
16 it, to be a part of the record and placed into  
17 it, or what do you wish to do?

18 THE WITNESS: I would like it to be part  
19 of the record.

20 CHAIRMAN MITCHELL: We're going to do  
21 that. We're going to include your testimony.  
22 Now we have it as hearing Exhibit 7 and it  
23 will be entered into the evidence of this  
24 case.

25 (HEARING EXHIBIT 7, marked for evidence.)



1 THE WITNESS: Just so I don't have to  
2 give 25 copies of this to the Commission.

3 CHAIRMAN MITCHELL: One copy is all we  
4 need.

5 THE WITNESS: It is my understanding that  
6 you wanted 25 copies by June 27th.

7 CHAIRMAN MITCHELL: That is if you were  
8 going to submit information at our hearing in  
9 Columbia. All you've got to do is give us one  
10 copy. That's all we need. And we will make  
11 it available for you. And also it would be  
12 posted on the website with all the other  
13 exhibits that we have and anyone here can use  
14 that website to find out any information  
15 that's been presented to the Commission in  
16 this case. Do you have any other questions?  
17 Commissioner Moseley?

18 COMMISSIONER MOSELEY: Mr. Manning, when  
19 did you send that information to the  
20 Regulatory Staff?

21 MR. MANNING: It was in April sometime.

22 COMMISSIONER MOSELEY: Did you all  
23 receive it?

24 MS. HAMILTON: Commissioner, I'll have to  
25 check with the office. I don't have any of

1                   those records with me. I'll check and see if  
2                   we have that.

3                   CHAIRMAN MITCHELL: And that was - are  
4                   you aware if that was mailed to the Public  
5                   Service Commission itself or the Office of  
6                   Regulatory Staff?

7                   THE WITNESS: I sent it to three  
8                   different addresses, Mr. Chairman.

9                   CHAIRMAN MITCHELL: Yes, sir, if you have  
10                  that.

11                  THE WITNESS: It was to the Commission,  
12                  the Regulatory Staff and the attorney for the  
13                  Company.

14                  CHAIRMAN MITCHELL: Well, you understand  
15                  our position, that we cannot - we don't fully  
16                  comment in our order and everything, but up  
17                  until that time the Office of Regulatory Staff  
18                  is your agency to contact. They are a party  
19                  in this case under Act 175. They do all the  
20                  research and investigation. And also you have  
21                  the privilege to do that through the company.  
22                  And I don't know if they would reply or not,  
23                  but the Office of Regulatory Staff will.

24                  THE WITNESS: The date that I wrote it  
25                  was April the 26th, 2006.

1 CHAIRMAN MITCHELL: Commissioner Wright.

2 EXAMINATION

3 BY COMMISSIONER WRIGHT:

4 Q I don't want to beat a dead horse, but I want you to  
5 understand. As much as we would like to help you we are  
6 prohibited from doing so as Commissioners and our staff  
7 by 175. That's why ORS works to help you. You have to  
8 contact them.

9 A It just seems odd to me that without that information -  
10 you cannot make a judgment without financial situations  
11 about the numbers. And I have asked for the numbers and  
12 nobody even has the common courtesy to say, you know,  
13 you'll either do that or you're not going to do that.

14 CHAIRMAN MITCHELL: Once again, you have  
15 the right to ask that question after the hearing  
16 tonight. And after the hearing you can talk to them.

17 A Thank you, sir.

18 CHAIRMAN MITCHELL: Now, we can't answer  
19 direct questions, but if you would like to  
20 come up and testify we certainly will  
21 recognize you at that time. Any questions?  
22 Thank you very much, sir.

23 .MR. DONG: The next witness on the list  
24 is Ms. Betty Dixon.

25 **BETTY DIXON,**

1 Having been first duly sworn, testified as follows:

2 My name is Betty Dixon. I live at 209 Point South Lane,  
3 Lexington, 29073. That's the Springlake Subdivision.  
4 And this is my first time, and I'm definitely not going  
5 to be as eloquent as the subsequent speaker, but I've  
6 lived in my home 12 years. We don't drink the water in  
7 12 years. We don't wash our car at home. I've had to  
8 replace the appliances over the 12 years, washers. It's  
9 hard water, stuff like that.

10 I've lived in my home 12 years. When we first  
11 moved in all our neighbors gathered around and informed  
12 my husband and I that they had a Citizen's Against  
13 Carolina Water Service. This has been a problem way  
14 before we even moved in as the quality of water was  
15 poor. I just thought it was in a well. And I have to  
16 apologize to my community because this is the first time  
17 I've stepped forward just because of a very recent  
18 personal situation. You want to ask me about who they  
19 work with, my bills, I'll be glad to answer. We had a  
20 leak, and this is how I come to find out we're no longer  
21 on the well. And I tried to read the paper, and I've  
22 kind of given up talking with the neighbors about the  
23 water. It's like beating a dead horse, you know,  
24 nothing's going to change.

25 So that's why we've never fought for it. We've

1 never stood up for - I've never stood up for my rights.

2 In February I noticed I had a leak, out way in the back  
3 of my yard. The long and short of it is I called the  
4 water company, they told me to go out and turn it off.  
5 Well, I had to go and find my meter. And I knew where  
6 the box was, but I had to unearth it. I had to dig it  
7 out of the mud.

8 So I broached the company and wrote a letter and  
9 said, hey, you know, would you give me a price break, my  
10 next bill was \$500. So I called and said, you know, I'm  
11 going to have to sell one of my children. Now, really,  
12 I don't want to sell my children, you know. And she  
13 said to put it in a letter. I wrote a letter and said,  
14 you know, hey, water leak and would you cut me a break.  
15 They mailed me back and said, nope. That's when I found  
16 out they purchased the water from the City of West  
17 Columbia and that they do not allow the adjustments.

18 So then I was concerned, so I contacted the Office  
19 of Regulatory Staff. I haven't decided if I'm going to  
20 pursue a hearing with Carolina Water yet as to the  
21 outcome of this, you know, little person against big  
22 people just don't work sometimes. But the point was is  
23 I've talked to them in several statements and all, but  
24 can I find them? I couldn't. I pretty much live on the  
25 internet with my job. I couldn't find the man, the

1 person, the woman at this company, with nobody listed as  
2 who their board was, who the president was or anything.  
3 I just kept having to deal with the customer service.  
4 They were very pleasant, just matter of fact that they  
5 don't allow a leakage adjustment.

6 I called the City of West Columbia, they do, but  
7 because they pre-purchase their water that we're not cut  
8 any type of break. And my point still is if they had  
9 read it we would have caught the leak a lot sooner, just  
10 given the situation, because my house is structured in  
11 the French drain things around my house.

12 So I'm just really tired. I'm not drinking my  
13 water from the faucet. We filter everything. We filter  
14 the water coming through the faucets. We filter going  
15 into the ice machine. We also filter our pitchers which  
16 has a filter from the filtered water, and it still  
17 tastes bad. It still leaves a slime on your glasses.  
18 And with no choice, they are the water company. You  
19 know, I'm here to complain. And that's it.

20 EXAMINATION

21 BY CHAIRMAN MITCHELL:

22 Q Ma'am, you spoke of a leak. I believe you said that  
23 your bill was \$500 after your leak. And you called the  
24 company about a leak. Did you call the company?

25 A Yes, sir. On March 13th, I said, hey, you all have been

1 taking these things as part of our neighborhoods, that's  
2 the little brown buildings on both sides of our  
3 neighborhood, it's a small neighborhood. Then they had  
4 done some road work. But I thought there was a busted  
5 line where they had been working. And the guy came to  
6 the house, and he's like, you know, on the line, find  
7 your cutoff valve, it's out in the box. And I said,  
8 okay. And they said if you turn it off and the water,  
9 and it's still spinning then it's not theirs, it would  
10 be ours. So that's when I went out in the yard. My box  
11 had been broken for a couple of years. And I was on my  
12 hands and knees taking that crud out of this box and the  
13 children scared the snot out of me. I was about ready  
14 to hurt him. He comes barreling down the road, smashed  
15 on brakes, jumps out, runs toward me. He thought I was  
16 sick because I'm bent over in a hole, you know, digging  
17 out crud. He sent a letter also testifying that there  
18 is nobody that could have read my meter because it was  
19 caked with mud. I couldn't even find it. But they said  
20 that they contract out with Carolina Water Services.  
21 They contract out its rate.

22 Q But was the leak determined to be on your side?

23 A Yes, sir, it was. It was in a very inconspicuous place.  
24 I have a porch that's four and a half feet deep, and a  
25 pipe that was up under the concrete. The split was up

1 under the concrete. We had to get a leak detector out.  
2 Once Carolina Water came and saw it wasn't theirs, they  
3 even walked around back with me where they saw it, and  
4 he's the one that told me it was a French drain, it had  
5 the pipe sticking out of the furthest part of my yard.  
6 And we was getting ready to dig it up until it started  
7 looking like I had a babbling brook in my yard. And  
8 that's when we found it.

9 CHAIRMAN MITCHELL: Commissioner Clyburn?

10 EXAMINATION

11 BY COMMISSIONER CLYBURN:

12 Q Ms. Dixon, you made mention - and you did a fine job.  
13 You made mention that - and I'm not even running for  
14 office in this town. You made mention of replacing  
15 appliances. Can you tell me with what frequency?

16 A Well, to be honest, it's not been within the last couple  
17 of years, but when we first moved in we had to get like  
18 a new coffee pot like every six months. It turned pink  
19 and white inside. And that's even with - you know, I'm  
20 an old country girl. We put the vinegar in and stuff  
21 like that. But we would always have a pink film. You  
22 really had to keep the water wiped off, even like a dish  
23 drain would get slimy and yukky.

24 Q And I will preempt Mr. Hoefer. Have you ever recorded  
25 this?



1 A No, ma'am. Because, you know, we had the Citizen's  
2 Against Carolina Water Service, and it was just like it  
3 was a lost cause.

4 COMMISSIONER CLYBURN: Thank you.

5 CHAIRMAN MITCHELL: Commissioner Fleming?

6 EXAMINATION

7 BY COMMISSIONER FLEMING:

8 Q I wanted to hear a little bit more about your contact  
9 with Carolina Water Service. You said you had a hard  
10 time finding information about who to call and who's  
11 responsible. Is that information not included in your  
12 billing?

13 A What was on the bill was where you send your bill.

14 Q But no information about -

15 A And there was a phone number, one was a local, it's  
16 right over off of Rich Drive at the top of Leaphart. I  
17 called that number, but I wanted - when I pursue stuff I  
18 want to - I did my first initial contact with a customer  
19 service representative, Ms. Sally Wilkes. She was very  
20 kind, very sweet and very understanding. But when I got  
21 my big bill, I wrote this letter when I only had an \$80  
22 bill, which is typical for us. This is a family of  
23 four. We don't wash our vehicles there. I make my 22-  
24 year-old take it outside. We have water savers on two  
25 bathroom showers. We wash by hand, except our clothes.

1 We do wash our clothes, you know. And so we're very  
2 conservative people. I even collect rain water. So,  
3 you know, we've just had to do this for 10 or 12 years.  
4 But after that initial letter, and then when I got the  
5 big bill, and then I said, you know, how this is going,  
6 he gave me his card and said that if he could help, you  
7 know, about the conditions of the meter he would be glad  
8 to. So he wrote me a letter - he wrote a letter for me.  
9 I sent that and it was billed, no, sorry, we offer no  
10 leak adjustment. And that's when I'm like, okay, and I  
11 started with Office of Regulatory Staff first.

12 Q And they asked you to go check the meter, right?

13 A Yes, ma'am.

14 Q They didn't provide that service for you?

15 A Well, in a way I'm glad they didn't, because otherwise I  
16 wouldn't have known that nobody had really been reading  
17 it. There was even a paper plate and stuff in there.

18 COMMISSIONER FLEMING: Thank you.

19 CHAIRMAN MITCHELL: Any further  
20 questions? Mr. Hoefer?

21 EXAMINATION

22 BY MR. HOEFER:

23 Q Ms. Dixon, the reason he asked you to go to the meter  
24 was to find the meter. They weren't asking you to go  
25 check your meter to find out what your reading was or

1 anything of that nature?

2 A Right.

3 Q Thank you.

4 CHAIRMAN MITCHELL: Any other questions?

5 Thank you very much.

6 MR. DONG: Next witness, James Bell.

7 **JAMES BELL,**

8 Having been first duly sworn, testified as follows:

9 My name is James A Bell. I live at 109 South  
10 Court, which is in Spring Lake Subdivision, Lexington,  
11 South Carolina, 29073.

12 Basically, as just about everyone who has been  
13 serviced through Carolina Water Service knows the rates  
14 have increased. And it's difficult for us to get a  
15 regular idea. I have two graph areas. If you'd like  
16 I'll give you copies of those. The first graph is  
17 actually the water service costs, costs per gallon and  
18 in the blue line and what the average costs. And as you  
19 can see these charges are all over, up, down and across  
20 a number of days. And it's adjusted how many days are  
21 included in a billing area time and time again. This  
22 one makes it pretty clear. These are the same numbers,  
23 this is the trend. Over the last 30 months there has  
24 been a cost-per-gallon increase that appears to be only  
25 slightly over 12 percent. My actually cost per day in

1 usage has increased 48 percent in the last 30 months.

2 And speaking to my neighbors their costs have increased  
3 in similar proportions. I would have to agree with  
4 earlier speakers, I don't believe an increase is  
5 justified. These costs are already outrageous. That's  
6 pretty much all I have to say. I think the numbers  
7 speak for themselves.

8 MR. DONG: Mr. Bell, would you like your  
9 graphs be entered into evidence as an exhibit?

10 THE WITNESS: Yes, I would.

11 MR. DONG: We'll mark those as Exhibit  
12 No. 8.

13 (HEARING EXHIBIT 8, marked for evidence.)

14 CHAIRMAN MITCHELL: Any questions of this  
15 witness? Commissioner Wright?

16 EXAMINATION

17 BY COMMISSIONER WRIGHT:

18 Q How long have you lived in your home?

19 A I've been at this address for in excess of 15 years.

20 Q Have you, and - thank you. Have you appeared before at  
21 a rate hearing?

22 A I have not been able to appear in person due to my work  
23 schedule. I have written testimony and contacted the  
24 Commission on more than one occasion regarding an  
25 increase. I would like to say to the Commission I

1 realize every utility company approaches you at every  
2 opportunity they can for another rate increase, and I  
3 know it has to be a challenge to try to deal with all  
4 those numbers. Certainly these rate increases can't be  
5 justified every time they are allowed to increase, and  
6 it appears to happen, as I pointed out earlier, enough  
7 times in the past where our subdivision formed a  
8 coalition to stop the rate increases. And the results  
9 were encouraging.

10 CHAIRMAN MITCHELL: Any other questions?

11 Thank you very much. We appreciate it. Thank  
12 you.

13 MR. DONG: Tommy Johnson?

14 **THOMAS A. JOHNSON,**

15 Having been first duly sworn, testified as follows:

16 My name is Thomas A. Johnson. I live at 201 Laurel  
17 Meadows Drive, West Columbia, 29169. First of all I  
18 want to thank you for letting me appear before you.

19 Second, I would like to thank Representative Joe Owens  
20 for writing a letter to his constituents to let us know  
21 about this hearing today. And I only have just a couple  
22 or three things to say.

23 When you get the letters from the water company,  
24 we're increasing, we put up a bond, we're going to  
25 charge you anyway. They never justify it. Or I have

1 never seen anything in writing. How can they justify  
2 the 16 percent they are asking for right now? I was in  
3 management for 30 years. I run a plant. Our sales were  
4 in excess of 100 million dollars. I know what my bottom  
5 line is. Even when we increased our costs of lawnmowers  
6 we had to justify it. These people, to me, do not have  
7 to justify anything. They're like the Exxon and Mobile,  
8 you know, the price keeps going up. This is water, not  
9 gas that they're selling. Why don't they justify, in  
10 writing, why they need that money? Where is it going?  
11 All you see is the consolidated voucher sheet. You  
12 don't see a detailed balance sheet. So it's like  
13 reading a comic book, they gross X, they make X, and  
14 that's it. And that's all we know about that company.  
15 They're just - everything is top secret.

16 I don't even know if it's a publicly-owned company  
17 or a private company. I know a private has different -  
18 they don't have to abide by the same rules, but to me  
19 they should justify every penny that they charge us.  
20 There are a lot of people in this area that are on fixed  
21 incomes. And, you know, we're going to run out of money  
22 one of these days. I'm like the other people, I don't  
23 water my grass. I'm glad I don't have kids because I  
24 would go broke paying for the water they use plus flush  
25 the commode with their prices.

1 And so I'm just asking the Commission to really  
2 give it a going over when you vote on whether or not to  
3 give or authorize a rate increase. I thank you for your  
4 time.

5 CHAIRMAN MITCHELL: Thank you, sir. Any  
6 questions? Commissioner Clyburn?

7 EXAMINATION

8 BY COMMISSIONER CLYBURN:

9 Q Mr. Johnson, please forgive me because I'm less familiar  
10 with Lexington County. You mentioned your address.  
11 Would you tell me the name of the community and how long  
12 you've been a resident?

13 A Laurel Meadows Subdivision. It's off Leaphart Road,  
14 near the Southeastern Truck Lines on the I-20/378 exit.

15 Q And how long have you lived there?

16 A Since '94.

17 Q And could you give me - I know prices is your primary  
18 concern tonight. Can you give me sort of an overview of  
19 your quality of service, what kind of service you  
20 receive.

21 A Well, the local people, I have no problems with their  
22 local people. There are a lot of broken lines in our  
23 neighborhood. And when the guys come around, you know,  
24 they're very nice and everything and they get their job  
25 done, once you report it. But still, that doesn't

1 justify this type of rate increase.

2 COMMISSIONER CLYBURN: Thank you.

3 COMMISSIONER MITCHELL: Any other  
4 questions? Thank you very much.

5 MR. DONG: Carlton Walker?

6 **CARLTON WALKER,**

7 Having been first duly sworn, testified as follows:

8 My name is Carlton Walker. I live at 252 Boston  
9 Lane, that's in Lexington, South Carolina, 29073. First  
10 of all I'd like to thank you for having us in today to  
11 have the opportunity to voice our concerns for the  
12 issues we have about water. I'd like to thank our  
13 representative for being here today and supporting us.  
14 Thank you.

15 I've only lived in the community for a few years.  
16 I moved into this community in 2003. I bought a new  
17 home that was built in the area in Maple Grove. I  
18 initially became concerned with my water, my fixtures in  
19 my shower constantly stay mildewed or rusted for some  
20 reason or another. After a constant cleaning did fix  
21 the issue, I just figured it was the water. I've never  
22 had to buy water before, other than regular usage from  
23 services. I found myself, my wife and I, buying more  
24 bottled water, and it's something I never had to do  
25 before and purchasing filters and things like that to



1 help me to reduce the effect that we have been receiving  
2 from it.

3 I'm also glad to see the people in our community  
4 out in force and things about this, I'm letting you guys  
5 know that this is something that needs to be addressed  
6 firmly, that they are not here because the door was  
7 open. And I would like to say that please don't  
8 overlook them, okay? Thank you. If there is any other  
9 questions for me?

10 CHAIRMAN MITCHELL: Commissioner Clyburn?

11 EXAMINATION

12 BY COMMISSIONER CLYBURN:

13 Q Mr. Walker, how are you?

14 A I'm fine.

15 Q It's been a couple of days, are you okay?

16 A Wonderful, and yourself?

17 Q Doing well. You mentioned and you were talking about  
18 this water company, but you talked about the impact in  
19 your fixtures. Why don't you give me a feel or an  
20 overview of your actual bill? What's your average  
21 monthly bill?

22 A Average about \$98, approximately.

23 Q That's for a family of two?

24 A A family of two, yes, me and my wife. We're a young  
25 couple and we just had our first child, so we hopefully

1 in the future will have more, but we don't know the  
2 impact that that's going to be, either. I never had  
3 concerns about whether or not we could pay the water  
4 bill.

5 COMMISSIONER CLYBURN: Okay. Thank you.

6 EXAMINATION

7 BY CHAIRMAN MITCHELL:

8 Q About your fixtures, you had a problem cleaning it.

9 A Yes, sir.

10 Q Do you think that's stained from the water?

11 A Yes, sir.

12 Q You believe that?

13 A Yes, sir. I've spent a lot of years in service to the  
14 country. I've been in a lot of places. I've spent the  
15 majority of my years in Richland County, which I've  
16 never had this particular issue from the water, cleaning  
17 the toilets and in the shower fixtures. So here is a  
18 new experience and making that adjustment, having to  
19 constantly clean those items. At first I thought it was  
20 just the fixtures, but then I noticed the toilets and  
21 stuff like that, so it was - it wasn't that bad, it just  
22 ended up constantly being there, no matter how much I  
23 clean the toilet.

24 CHAIRMAN MITCHELL: Any other questions?

25 Thank you very much, sir. Mr. Hoefer?

EXAMINATION

BY MR. HOEFER:

Q Mr. Walker, you've lived in your current house since 2004, I think you said?

A Yes, sir.

Q Have you had occasion to call the company and complain about your water?

A My wife has.

Q Do you know when she did that?

A Unfortunately, no.

Q Do you know the source of your water?

A The source of our water is Carolina.

Q Are you not aware that the water is supplied by the City of West Columbia and passed on to you by Carolina Water Service?

A I heard that tonight.

MR. HOEFER: Thank you.

CHAIRMAN MITCHELL: Any others? Thank you. Thank you, sir, very much.

MR. DONG: Steven Heintz?

**STEVEN HEINTZ,**

Having been first duly sworn, testified as follows:

Steven Heintz, 316 Loston Lane, Lexington, South Carolina. And that's Maple Grove Subdivision. I moved into the subdivision three years ago, August of

1 2003. I spent the first four months there, pretty high  
2 water bills. Contacted Carolina Water about it and  
3 found out that we were getting it through West Columbia  
4 and paying their fees and then paying their fees, as  
5 well. I brought my water bill with me today just to  
6 show their water distribution fee. I've never paid a  
7 water distribution fee in my life. I lived at Fort  
8 Rucker, Alabama. We didn't have a water distribution  
9 fee. I had a sewer fee and a water charge fee but not a  
10 distribution fee. I think it's ridiculous. So I called  
11 the water company, found out there was not a whole lot I  
12 could do about it, but the rest of my community happened  
13 to have the same questions that I had. So I told them  
14 what was going on. But I didn't know it was this big.  
15 I thought we were one of the only communities that had  
16 this problem. But I'm glad that we aren't. I'm glad  
17 that there are more of us so we can fight this.

18 I've learned a lot in here today. I've learned  
19 that they've been asking for increases for umpteen  
20 years. It's got to stop or else we're going to keep on  
21 doing it year after year. It's got to stop. We can't  
22 pay this. That's all I have to say.

23 CHAIRMAN MITCHELL: Commissioner  
24 Hamilton?

25 EXAMINATION

1 BY VICE CHAIRMAN HAMILTON:

2 Q Would you like to make your water bill a part of the  
3 testimony?

4 A Yes.

5 Q Okay. We'll take the bill off your hands, you can have  
6 the rest.

7 A It's not much because it's just me and my wife, but  
8 still it was \$76.00 for me and my wife. And I don't  
9 know who else takes a distribution fee for water. Does  
10 Richland County do it?

11 .CHAIRMAN MITCHELL: We're going to make  
12 this an exhibit, Exhibit 9 and enter that into  
13 the evidence and make it part of the record in  
14 this case. Commissioner Clyburn?

15 (HEARING EXHIBIT 9, marked for evidence.)

16 EXAMINATION

17 BY COMMISSIONER CLYBURN:

18 Q What's your name?

19 A Heintz, like the ketchup.

20 Q I don't know if she married well or not, that's subject  
21 to check. Imagine that you - you've lived there for  
22 three years. Tell me what community Maplewood -

23 A Right behind us here, Maple Grove Subdivision off of  
24 Maple.

25 Q Maple Grove. And your \$76.00 water bill, that's an

1 average bill for you?

2 A Actually, I've been reducing the water usage. I don't  
3 wash my car, either. I take it down the road and get it  
4 done for seven bucks. It's probably cheaper doing it  
5 that way than paying them seven bucks or more.

6 Q So you on the low side have been paying 70, 80 and 90  
7 dollars?

8 A When I first got there it was well over 100. And I know  
9 the people with children they had well over \$100, also,  
10 a month.

11 Q Okay. And can you give me a feel for the type of water  
12 - your water quality?

13 A We drink bottled water.

14 Q So just by choice or because -

15 A What I know is going on.

16 COMMISSIONER CLYBURN: Thanks a lot.

17 EXAMINATION

18 BY CHAIRMAN MITCHELL:

19 Q And you mentioned this, how many people are in your  
20 household?

21 A Just me and my wife.

22 CHAIRMAN MITCHELL: Commissioner Howard?

23 EXAMINATION

24 BY COMMISSIONER HOWARD:

25 Q I was going to ask you, do you know exactly what your

1 distribution fee was?

2 A I think 150 was this last one.

3 Q Distribution? I'm not talking about the whole bill, the  
4 distribution fee.

5 A Oh, the distribution fee, it says it right here, water  
6 distribution charge is \$19.56, South Carolina DHEC fees  
7 was 81 cents, the sewer fee was \$37.76, and the city  
8 water supply charge is 17.81. We pay more for the  
9 distribution fee than we pay for the water.

10 CHAIRMAN MITCHELL: Any other questions?

11 Thank you very much.

12 **ROBERT GROVES,**

13 Having been first duly sworn, testified as follows:

14 My name is Robert Groves. I live in Maple  
15 Grove subdivision, 139 Maple Leaf Way, Lexington, South  
16 Carolina, 29073.

17 I just want to thank the Commission, Carolina  
18 Water, the Regulatory Commission, the representatives  
19 and the community for all being here and coming together  
20 to discuss what is a very sensitive mission for all of  
21 us. I don't want to, and I'll try not to repeat what a  
22 lot of people are saying.

23 I wanted to point out one point. I didn't want to  
24 be ignorant of the fact that I didn't know everything  
25 that was going on, and forgive me for doing so. But

1 I've learned a lot tonight from some of the previous  
2 people.

3 I've had one incident myself. We bought a brand  
4 new home here in February, 2003 and the first month,  
5 which was a prorated, we were only there, like, we moved  
6 in on the 16th or 17th, the first month was prorated at  
7 \$54. I kind of went, oh, it's not good or bad, kind of  
8 high, but kind of I would just wait for the second  
9 month.

10 The next month our water bill went up to about 170,  
11 \$175. I went to the developer, and I said, something is  
12 wrong here. And he said, that's Carolina Water. And I  
13 said, what do you mean? He said, they are traditionally  
14 very high. And I complained to them, why didn't you say  
15 this to us? This is important for us to know.

16 The next month my bill was well over \$250. I went  
17 back to the developer and said, this is ridiculous,  
18 there is no way the water can go this high in three-  
19 month's time. It's just my wife and I, we have no kids.  
20 Thank goodness.

21 It turns out about two days after I went to the  
22 developer, I had a leak in front of my house. A geyser  
23 was just shooting out in my front yard. Turned out to  
24 be a PVC pipe, and it was on my side of the meter, that  
25 wasn't glued properly, and the water was shooting out.



1 So I went to the developer and basically tried to get  
2 some reimbursed, but they wouldn't do it. So I went to  
3 Carolina Water and said, I would like to get a  
4 reimbursement. What can you do for me?

5 That's when I found out that they said, no, we're  
6 sorry, our water is pre-purchased from the City of West  
7 Columbia, we buy from them. They don't give us a  
8 discount, we can't give you one. That's precisely what  
9 the woman told my wife on the phone. So we dropped it.  
10 And we do have red rings on our shower heads, and never  
11 thought anything of it. I'm from the Northeast  
12 originally. The water up there comes from very old  
13 wells, so I didn't think twice about it. We cleaned it,  
14 it would come back within three or four weeks. About a  
15 month and it was back. I just figured that was a normal  
16 thing to happen.

17 I just don't see, in finding out that they have  
18 done nine, about nine increases in the last so many  
19 years, and I don't know exactly how many, I don't see  
20 why they keep coming to ask for more increases. You're  
21 probably going to ask me about the service, and I  
22 decided - I mean, it's good service, it's not quality  
23 service. I haven't seen any additional - they haven't  
24 bent over backwards to do anything for me or for my  
25 community, as far as I'm concerned. I'm the president

1 of the community, by the way, and I hear quite a bit  
2 about what's going on through hearsay. And everybody  
3 complains about the water going up and up and up. We  
4 have been reducing our water. I'm a gardener, too, so  
5 this month my bill was 125 - I believe it was 125. And  
6 that's with a drastic reduction of water usage. But I  
7 have to water my vegetables. I'm going a little further  
8 than most people to keep my grass watered, too. But  
9 it's browning because I don't do it on a regular basis,  
10 but I don't want it to die. I just don't understand. I  
11 would like to see what the increase is for. I haven't  
12 really seen a good, you know, written report as to why  
13 these increases are necessary. The letter that came out  
14 said they wanted to continue to provide excellent  
15 service. The service is excellent? I don't know. I  
16 can't say that. I certainly haven't been here long  
17 enough, but I certainly haven't seen any.

18 My other question is, the gentleman, Mr. Manning,  
19 thank you very much for pointing out a lot of  
20 information I didn't know about. The West Columbia  
21 water seven per thousand, ours was about \$12 per  
22 thousand. Where do they justify that amount? I mean,  
23 yeah, they're in business to make money, but how much  
24 money, and to what expense, at whose cost? I don't see  
25 why if they're getting the water from West Columbia and

1 they're passing the water through West Columbia's pipe,  
2 West Columbia is probably going to put the pipe in, I  
3 don't know. I really don't know. Why can't we  
4 eliminate them altogether and just have West Columbia's  
5 water?

6 I know that's not what we're here for, but it's a  
7 valid question. I hear this every two to three days  
8 from people, why are you using a service from people  
9 when all they are doing is keep raising our rates and we  
10 don't see or hear from them unless there's a problem.  
11 You know, should it be that way, I don't know.

12 My only other thing was - well, two things, and  
13 this is just a thought here - not a thought, just a  
14 weird situation. Why don't we go to the regulatory  
15 commission and ask them to redistrict us and have all  
16 those people who are happy with their service stay with  
17 Carolina Water and have the rest of us go with West  
18 Columbia Water and see what happens.

19 And the last one I have is that very - the first  
20 person got up, I heard something about repetition. So I  
21 wrote a note to myself. Repetition, what about Carolina  
22 Water, if they keep asking for rate increases without  
23 any instruction to why or where what -

24 CHAIRMAN MITCHELL: Thank you very much.

25 MR. DONG: Pat Kirchman.

PAT KIRCHMAN,

Having been first duly sworn, testified as follows:

Good evening. My name is Pat Kirshman. And I live at 216 Locksley Lane, Maple Grove Subdivision, Lexington, South Carolina. Right after I got my divorce in 2003 and I moved to my new home on Locksley Lane, thrilled that I was able to do this and save myself after 32 years of marriage and three children. My first water bill came, and I called Carolina Water Service and said, something is drastically wrong at \$197. My last bill last month - I am alone, and I have a dog. I own my own business, I am out of town most of the week. My water bill was \$155.86. Every time I get a water bill I called Carolina Water Service and said to them, you need to explain this to me. And they would send some little guy over that I, I had to show him where to read the meter. Now, that's frightening. He doesn't even know where it is in my yard. I did.

Over my 56 years of life and my 33 years of marriage and my three years of being divorced I have lived in over 27 cities. I have been responsible for water bills in 20 of those cities. I have never, ever in my entire life until I moved into Maple Grove subdivision paid ever over \$100 a month for a water bill. That was for a family of five people and that was

1 filling an 18 foot by 38 foot swimming pool.

2 The highest bill we ever had in the history of us  
3 living in all these cities.

4 I am probably the most resourceful people you will  
5 ever meet in your life. I have called Dateline, I have  
6 called - sanctioned every resource there is, 60 Minutes,  
7 Leslie Stahl did call me back. And I have been in  
8 contact with them giving them information on this.

9 And let me tell you what the bottom line is for me.  
10 I have zero problem with any company who is in a  
11 legitimate business making money. I have a real problem  
12 when that company is literally ripping people off.

13 Now, somewhere in this whole huge picture my  
14 highest personal professional belief is there is massive  
15 payoffs somewhere. And somewhere there is a paper  
16 trail, and I'm going to tell you, the reason I picked  
17 Leslie Stahl, the reason I've been in contact with her  
18 is because that woman will go to the ends of this earth  
19 and back to find that paper trail.

20 Somebody, somewhere is making massive amounts of  
21 money off people like those of us that have no choice in  
22 our lives but to accept that we, every month, my highest  
23 bill was last summer.

24 Again, I want to stress, and to you, I live alone  
25 and have a dog. Me. I am on the road Monday to Friday

1 afternoon. I'm not home. I don't shower Monday through  
2 Friday morning there. I don't consume any water  
3 whatsoever except my sprinkler system in the summer goes  
4 on at least three days. Now that means not every day,  
5 every third day. So Monday, Thursday, Sunday; and then  
6 it rotates. The reason I do that is because we have  
7 Bermuda grass, not Centipede, which requires an  
8 inordinate amount of water for that grass to stay green  
9 and function well in the heat.

10 When I'm not home and my water bill is \$250 I don't  
11 really give a damn who is going to give me the opinion  
12 of what took place. But somebody needs to ante up. I  
13 refuse to do it anymore. I refuse.

14 I know a person that bought a car, a Chrysler back  
15 in the eighties when Lee Iococca was on commercials and  
16 said, don't buy foreign, by US made, and I did. The car  
17 never performed the way it was supposed to perform. So  
18 I called Lee Iococca himself and got a brand new  
19 Chrysler. He had it delivered to my door.

20 When I was director of business operations for  
21 American Express, we had 82 Dell computers that didn't  
22 work. I was hired to deal with Dell's customer service  
23 people. And I finally said, give me the owner. And the  
24 girl asked me, she said, you want to talk to Michael  
25 Dell? I said, I don't know who he is, but, yeah, that's

1 who I want to talk to. I had Michael Dell on the phone.

2 I don't care who you are. We weren't all created  
3 equal by God above to be ripped off. If any of you  
4 sitting here tonight are having to pay the same bills we  
5 are, you would be standing at this podium.

6 Let me tell you something I absolutely believe in  
7 in my life. I live by it every day of my life and that  
8 is right and wrong. Every human being in this room was  
9 given a conscious. I don't care who pays your salary,  
10 you have to answer to a higher power in my opinion. I  
11 don't know how anybody in this Commission, over there  
12 with Carolina Water, can honestly say this is okay.  
13 This isn't okay. This is morally not okay because the  
14 public is being ripped off.

15 I have done study after study after study. In  
16 every city I can humanly come up with, nobody in the  
17 United States of America, literally, is paying per  
18 gallon what we do. It's a monopoly, we don't have a  
19 choice. We have to belong to them.

20 Let me tell you what I want to say to Carolina  
21 Water Service. What if everybody just stopped paying  
22 you? What are you going to do? Are you going to cut  
23 everybody's water off so you have massive subdivisions  
24 that you have cut service off to? We have rights.

25 Leslie Stahl has given me phenomenal information

1 about our rights. And she is very seriously thinking  
2 about taking this case on for many many reasons. She  
3 wanted to know how every Commissioner was elected, how  
4 every Commissioner was paid, how Carolina Water Service  
5 came into existence, how they have been able to get rate  
6 hike after rate hike after rate hike after rate hike.  
7 Nobody has ever stopped and said, no more. We are doing  
8 a paper trail.

9 We are not going away. I refuse to go away. I  
10 don't want to deal with Carolina Water Service. It's a  
11 monopoly, it's a rip off. I want them to totally leave  
12 our subdivision, Maple Grove, alone, and go prey on some  
13 other new subdivision. I want to reiterate to all of  
14 you again. I am a single woman out of town. My average  
15 water bill has exceeded what I pay in electric and gas.  
16 Somebody needs to explain that to me.

17 Let me tell you what else no one has mentioned here  
18 tonight. It affects our property values. When somebody  
19 comes and they want to buy my house, and they do  
20 research on what we paid over the last 12 months for  
21 water, electricity, guess what happens? They won't be  
22 buying my home. I'm not only asking you all not to give  
23 the rate hike. I'm asking you all to take a stand for  
24 right and wrong, what's morally right in your heart.  
25 And only you all can answer that based on what we



1 believe in.

2 But I am telling you, we will sanction the Maple  
3 Grove subdivision. This is going to hit national news.  
4 And when this hits national news, I do want to put  
5 Carolina Water Service and every commissioner here on  
6 notice. This is not going to be pretty. It will not be  
7 pretty. When Leslie Stahl digs, that woman digs. So  
8 she will get back to me tomorrow after the hearing. She  
9 was very very curious about how this went. I just can't  
10 even describe to you all what this has been like to pay  
11 the kind of bills we've been paying.

12 And I ask you to put yourself in our shoes. It's  
13 difficult to do sometimes. Put yourself in our shoes.  
14 Would you want to pay a \$250 water bill and be told,  
15 well, that's just what it costs. I lived in Richland  
16 County, Lexington County, I've lived in hundreds, it  
17 seems like, of counties. I have never paid over \$100 in  
18 my lifetime, and I'm 56 years old.

19 We have a crisis here. We don't just have a  
20 problem, we have a crisis. It's called a monopoly; it's  
21 called profit at the expense of the homeowners. No  
22 more. I'm done. And when I'm done, I'm done. I  
23 personally have the resources to hire an attorney to go  
24 after Carolina Water. In fact, Leslie Stahl is looking  
25 into helping with that for our subdivision. I will go

1 to whoever I need to go to in the continental United  
2 States of America to get this stopped. So when I tell  
3 you I don't want a rate hike, I don't even want their  
4 service. It stinks. They don't have - I mean, you talk  
5 about pink film, I don't drink the water. I also can't  
6 afford to wash my car in my own yard. And I don't have  
7 \$6,000 put away just for every summer I can re-sod my  
8 yard. I'm unwilling to do that, totally.

9 But I will not go away. I promise you I won't go  
10 away. I am going to fight this until the very last  
11 breath I take because morally it's wrong. Morally it's  
12 wrong that they even exist.

13 Thank you very much for your time. And you look  
14 very bored. Are you bored? Anyway, Commissioners, I  
15 hope that you listen to this. I hope that you take  
16 this, everything into consideration because this is  
17 about to blow sky high, and I really mean it. This will  
18 not be a pretty picture for Carolina Water, for the  
19 Commissioners, for no one. This is not going to be a  
20 pretty picture. They will uncover all kinds of things,  
21 all kinds of paper trails. Trust me, they're there.  
22 Trust me, they're there. So there are payoffs, there  
23 are a lot of illegal things, in my opinion, going on  
24 that need to stop. We're asking you to stop. Thank  
25 you.

1 CHAIRMAN MITCHELL: Do we have any  
2 questions?

3 THE WITNESS: I do want to say we have  
4 watched tonight. And one of the things that  
5 is very saddening to me is that you as a  
6 professional, as an attorney, sit there with a  
7 smirk on your face. Now, granted, you're  
8 being paid big bucks to cover this. But let  
9 me tell you something. You know right from  
10 wrong.

11 CHAIRMAN MITCHELL: Thank you very much.

12 **LOUIE CHAVES,**

13 Having been first duly sworn, testified as follows:

14 Good evening. My name is Louie C. Chaves. I am  
15 from the State of South Carolina. I live at  
16 (inaudible). I've lived here for 30 years in this one  
17 house. I graduated from high school in 1966 so I've  
18 been here for a long time. I have come and spoken here  
19 before at prior meetings. I was the one that stated  
20 that every time my dogs would drink water (inaudible due  
21 to audience laughter.)

22 I worked at a place called South Carolina Electric  
23 and Gas Company as a journeyman lineman, extremely  
24 familiar with the folks at the Commission. You know,  
25 rate increases, gas and electric or whatever. So, yeah,

1 I'm familiar with it a little bit. I'm extremely amazed  
2 and appalled myself at the price of the water. I'm in a  
3 position there where I have lived there so long I've  
4 just paid my house off. You know, being retired, I've  
5 got glaucoma, I'm not in a position where I can move to  
6 a new neighborhood. I, myself, know just about  
7 everybody that works with the water company. Because if  
8 you don't work you got lots of time to go out visiting  
9 or whatever. And they will come by and I would speak  
10 with them, okay. I've seen them hide, we're not going  
11 to talk about that. I'm only interested in somewhere  
12 along the line the money is going to run out, not just  
13 for myself, but for a lot of other people on fixed  
14 incomes. That's how we're going to continue to pay for  
15 something that is so high.

16 Now, other people have said that they buy water.  
17 Thank goodness, because right around the corner here  
18 we've got a little place that we can go to at the time.  
19 It doesn't taste that bad, okay. I, myself, have  
20 changed a bunch of appliances. My commodes do not have  
21 rings on them. Thank goodness we had to take and change  
22 those to get the rings out

23 It would seem whoever, the corporation or an  
24 individual after you have put in with the initial costs  
25 to lay the pipes for a subdivision so there is one and

1       only line. You wouldn't have received all your money to  
2       return back and make a profit. It kind of appears to me  
3       then it's mere greed. I don't doubt if anybody else is  
4       thinking of, as we referred earlier about Mobile and  
5       Exxon. So I would be ashamed if I was working with  
6       either one of those companies because I would tie up and  
7       sue the president with a guaranteed \$400,000. And it  
8       might sound good, but I'm telling you - but we're not  
9       talking about millionaires here. I have two children  
10      that graduated college. Thank goodness one of them will  
11      be living in Virginia and one of them is a mother of  
12      four quads right here in Lexington County. They could  
13      not afford to live in this neighborhood with four  
14      children.

15           As many clothes as they wear, these girls are six  
16      years old like to dress. So they would not be able to  
17      afford to live there just for the water, even if the  
18      house was given to them.

19           I don't mind anyone at all making a profit. I  
20      think it's one of the best things of freedom is that you  
21      got a chance to make money. But what is so close to  
22      magnified grand theft in a roundabout way. I'm here to  
23      say what it costs of our water. Now, I don't know of  
24      anything else I can say this morning, but any questions?

25                   CHAIRMAN MITCHELL: Commissioner Clyburn?

## EXAMINATION

BY COMMISSIONER CLYBURN:

Q Mr. Chaves, I think I can take you on, but I won't prove that tonight.

A Thank you very much.

Q What is your average monthly bill?

A 77 to about \$125. Now, it's two people and two dogs. I assure you I have never caught either one of those dogs cutting on the water. They can't even cut the television on.

COMMISSIONER CLYBURN: Thank you.

CHAIRMAN MITCHELL: Any other questions?

We certainly thank you.

MR. DONG: Rhonda Kelly.

**RHONDA KELLY,**

Having been first duly sworn, testified as follows:

My name is Rhonda Kelly. I live at 242 Davenport Drive in Irmo, the Stonegate Subdivision. And I've lived there since June of 1998.

And I'm here as a representative of Stonegate neighborhood. We had a public hearing in our area last week. It was suggested that we have two days to submit evidence of the complaints we had. And we want to make sure that we have an extension or plenty of time because we're trying to compile or we are compiling, we hope, a

1 comprehensive package of rate comparisons between city  
2 water and our water, full drafts and other evidence that  
3 we would like to present to you. And I know that you  
4 asked for two days. We would like more time to submit  
5 that evidence, and I wanted to make sure that we would  
6 have plenty of time.

7 CHAIRMAN MITCHELL: Ma'am, I want to get  
8 a clarification because I certainly want any  
9 kind of information that you would like to put  
10 into evidence. You have talked to the Office  
11 of Regulatory Staff?

12 THE WITNESS: Who?

13 CHAIRMAN MITCHELL: Who did you submit  
14 these to or who did you talk to?

15 .THE WITNESS: I was at the meeting last  
16 Thursday night in Irmo.

17 CHAIRMAN MITCHELL: Oh, okay. And you  
18 asked for an extension of time?

19 THE WITNESS: I'm asking tonight because  
20 we were told we had three days to submit  
21 photos and evidence on other complaints that  
22 we had. And we actually need more time.

23 CHAIRMAN MITCHELL: I'll tell you what  
24 we'll do. Before the night is over,  
25 immediately after, we can discuss this as far

1 as details in submitting anything. I'll have  
2 my attorney talk with you immediately after  
3 and we can get you straight on it, on the time  
4 limit you might need.

5 THE WITNESS: Okay.

6 CHAIRMAN MITCHELL: Please go ahead.

7 THE WITNESS: Last week at the Irmo  
8 meeting, we talked about the holding tank that was  
9 at the entrance of our neighborhood. And it was  
10 knowing for sure who owned that holding tank that  
11 we submit that. We paid our sewer bill to CWS and  
12 we don't really care who they subcontract through,  
13 the status of that holding tank and the fact that  
14 it's not empty, it's full of debris on a whole is  
15 not our concern. We've always paid our water bill  
16 to Carolina Water Service and that's who we would  
17 take our complaints to.

18 I just want you to know that the complaints  
19 that we had last week and that we registered,  
20 Carolina Water Service sent a person into our  
21 neighborhood to take pictures to defend themselves  
22 with, apparently. But they didn't let the  
23 residents know. In particular, there is one woman  
24 here tonight who this personally happened to. The  
25 employee of CWS was taking photographs from the



1 street and didn't advise us that he was there and  
2 why he was there. And he was taking pictures of a  
3 really nice area of her yard. So some of the  
4 evidence that you get from this company might not  
5 be valid because if she had been home and said,  
6 hey, what are you doing? And he told her, okay,  
7 I'm taking pictures for Carolina Water Service to  
8 prove that we put things back the way they were.  
9 And in fact she took them to another part of the  
10 yard, and said, wait a minute, this is where the  
11 issue is. And they said, oh, yeah, we do need to  
12 go out there and fix that. So some of what you  
13 might see might not be an accurate representation  
14 of what's actually going on in our neighborhood.

15 On a personal level, - one more thing. I know  
16 that you're listening to a lot of complaints that  
17 may seem like don't warrant a rate increase. As  
18 part of our type of water or we have leakage or  
19 water pressure in our neighborhood, our pressure is  
20 iffy. If you live at the bottom of a hill maybe  
21 you have it. If you live at the top maybe you  
22 don't. Next week it might be the other way around.  
23 It's a major issue in our neighborhood. So some of  
24 the things that we talk about seem like they  
25 warrant a rate increase, but we've been paying

1           these severe rates for years and years with no  
2           improvements to the service that has been provided  
3           to us. So we think that they should take the  
4           profit that's been previously made and provide us a  
5           product and a service that is of the quality that  
6           is of the quality that every one of us, yourself  
7           included, would like to have in your home.

8           On a personal level, there are two people that  
9           live in my house, and that includes myself. And  
10          our water bill was between 70-plus dollars a month,  
11          depending of the time of the year. If you want  
12          more, we're more than happy to have any one of you  
13          come to our house and look for yourself. Our  
14          bathtubs and shower stalls have dark rims around  
15          the bottom. And I've used the pneumatic acid to  
16          try to remove it. One of my neighbors who lives  
17          and is part of the evidence that we would like to  
18          submit, she said that if you call the water company  
19          they will send you out a little bottle of some kind  
20          of rust-away. She was really excited about it.  
21          She said, they used to send me big bottles of it,  
22          but now they just send the little bottles. Well,  
23          in my mind there is something wrong when you have  
24          to call and ask for a chemical to counteract the  
25          chemicals that they're providing for us.

1 In 2000 in the summer I came home from work  
2 and WLS TV was out there with their van. And they  
3 were doing a story in our neighborhood about  
4 contamination. At the same time that TV company  
5 was doing this about the contamination, our water  
6 service representative was going door to door and  
7 saying don't drink the water. So at that time, and  
8 we do not drink the water at my house. It smells  
9 bad, we do not - I have a refrigerator that I  
10 replaced and I will not hook up the ice maker. We  
11 have a filter on our kitchen sink, but it is only  
12 for that sink. So that's where we make our coffee  
13 from. And that's supposed to be like a six-month  
14 filter. And it lasts about six weeks. And had we  
15 known that to provide the evidence we cut in half  
16 about three weeks ago just to see what was in it  
17 because our water is really not fit for  
18 consumption. And I personally, at that time, and  
19 it was before our neighborhood association was  
20 established, I contacted city water and asked them  
21 what steps did we have to do to be a part of city  
22 water, because our neighborhood is right across the  
23 street from two brand new neighborhoods, and right  
24 down the street from Dutch Fork High School and  
25 Dutch Fork Middle School. And all those

1 neighborhoods are on city water. Well, what I was  
2 told when I called them is we personally would have  
3 to hire an attorney and have the water tested every  
4 month for 12 months. Then send those results to  
5 you guys, I guess. And this has been 2000, 2001, I  
6 think it said. And then we would have to write a  
7 letter of request to Carolina Water Service. And  
8 if they decided it was appropriate they would  
9 release us to city water.

10 I don't think that the financial situation of  
11 any one or any one of our neighborhoods is an  
12 issue. I think that the issue is we're not  
13 receiving a quality product or service for the  
14 money that we pay. Whether people are on fixed  
15 incomes or not is really a non-issue. Whether  
16 people have four children or ten children or no  
17 children it's a non-issue, if we are not receiving  
18 a product or service that we actually are paying  
19 basically an exorbitant fee for.

20 So we also would like in our neighborhood, any  
21 effect that price increase is decided in favor of  
22 Carolina Water Service, that we would be getting  
23 our appropriate amount of time to make a decision  
24 as a neighborhood where we would like to buy our  
25 service from. If we have to pay more money for

1 city water to have them go through our pipes and  
2 what have you, it may not be, in the long run, the  
3 more expensive way to go. It may actually be cost  
4 effective. Whatever product that we can use in our  
5 home we won't have to buy water. We will have  
6 water pressure, we won't have to buy filters. You  
7 get where I'm going with this, right? It's like it  
8 may be cost effective for us to change some way in  
9 the request in the event that a rate increase was  
10 given, that we have a certain amount of time to  
11 petition our neighborhood and take the majority as  
12 to who we would like to buy our service from. And  
13 utility is a public service, and as it stands right  
14 now, we are not provided enough for what we pay  
15 for. I am in a similar personal situation as the  
16 lady in pink, as far as I worked out of town for  
17 two weeks - not last year but the year before I  
18 worked for Westinghouse, the nuclear power Plant,  
19 and during that time period there was no one at  
20 home, no one flushing the toilet, no one turning a  
21 drop of water on and not even a neighbor has a key,  
22 it ran about \$50 a month for a totally empty house.  
23 And I don't have those bills, but I know they have  
24 to have a record of that on file. I mean, if I  
25 were to have to provide that information, say to

1 the IRS or whoever in the future, they would be  
2 able to get those records. During that year I  
3 called two times to the company. One time I had  
4 written a letter, which I'm sure I made a copy of,  
5 and one time I wrote one on my bill, how can this  
6 be, no one has even flushed a toilet.

7 And not only that, the last thing I'd like to  
8 say is that I would like Richland County to provide  
9 us with average water bills of people that are on  
10 city water. And I can take you directly to what we  
11 wanted to turn in as evidence or requested the  
12 material of, is the statistics to provide some of  
13 those statistics to us so we could do a cross  
14 comparison of the average water bill per family of  
15 three right off of Kinnerly Road that is on city  
16 water, two-story home which far exceeds what's in  
17 our neighborhood, around 2200 square feet, and who  
18 has an everyday sprinkler system, and I know is  
19 \$25, 26, 27 a month, in comparison to our 80, 90,  
20 whatever. And these people pay a lot more than we  
21 do because they have to double pay. That's all I  
22 have to say.

23 CHAIRMAN MITCHELL: Thank you. Any  
24 questions?

25 EXAMINATION

1 BY CHAIRMAN MITCHELL:

2 Q Do you have any requests as far as the amount of time  
3 that you need?

4 A We would like to have, or what we feel like is fair, is  
5 we would like to know how much time they have to submit  
6 information to you. And we would like to have an equal  
7 amount of time before a decision is made. We think  
8 that's fair. This man is big and their employees are  
9 paid specifically to address the concerns that you have.  
10 We all have jobs and schools, which is not a primary  
11 thing. That's the reality. We have time to do what  
12 we're going to compile when we can get our personal free  
13 time. So we would like to have the same amount of time  
14 to submit evidence that they had.

15 Q Once again, I'm going to ask you to get with Mr. Dong  
16 after the hearing, and we will start working on that.

17 A And also Yvonne Ross, she's the head of our neighborhood  
18 association. I mean, you can tell me, too. But she's  
19 the one at the -

20 Q Yvonne Ross?

21 A Yes, sir.

22 Q All right. Thank you.

23 CHAIRMAN MITCHELL: Any other questions?

24 Thank you very much. We have listed all the - we  
25 have asked anyone who had signed up to come

1 forward, but do we have anyone else who would like  
2 to speak? Just raise your hand, please. Yes,  
3 ma'am. Just come up and state your name, please.

4 **BEVERLY KIRBY**

5 Having been first duly sworn, testified as follows:

6 My name is Beverly Kirby. I live at 106 Maplewood  
7 Way in the Maplewood Community. And this is a first  
8 time for me. I would like the itemization of all our  
9 bills for the 27 months that we've lived in our home to  
10 be on the record. As a matter of fact, my husband and I  
11 took the time today to total up in the last 27 months,  
12 we have spent \$2,850.90. That's what we have sent to  
13 this company. This is just my husband and I live there.  
14 We are both retired. This is our dream home and I'm a  
15 gardener. And I can't keep it green. And that really  
16 is upsetting me terribly. I put a sign up in my front  
17 yard encouraging all my community to come to this  
18 meeting tonight. I talked to everyone that I could.  
19 Jackie Knox, our representative, Joe Owens, and they all  
20 encouraged me to have all of our community here, because  
21 the more people here the more you would be aware of the  
22 fact that we're very upset about the water bills. I  
23 don't have any complaint about the quality of water. I  
24 drink the water, I water my plants with it, I feed my  
25 animals, I water my animals with the water. I'm not



1 complaining about the service, I'm complaining about the  
2 cost. The cost is too high. On a fixed income like we  
3 are, we just - we can't - you can see these bills.

4 Let me see, in June of 2004 our water bill was  
5 \$138. That's just too much to pay. That's all I've got  
6 to say. And this is a copy of our letter that we sent,  
7 and that letter was to the Public Service Commission.  
8 It should be on record.

9 CHAIRMAN MITCHELL: Okay. We're going to  
10 list your exhibit as 10, Hearing Exhibit 10  
11 and we'll make it part of the record.

12 (HEARING EXHIBIT 10, marked for  
13 evidence.)

14 THE WITNESS: All right. Thank you very  
15 much.

16 CHAIRMAN MITCHELL: Do we have any  
17 questions? Thank you, ma'am.

18 **OWEN BRACKETT,**

19 Having been first duly sworn, testified as follows:

20 My name is Owen Brackett, and I live at 233  
21 Laurel Meadows Drive, West Columbia, 29169. I moved in  
22 October, 1975. And of course as a lot of people, I pay  
23 Carolina Water. Do we have problems, yes, we still have  
24 some problems, but we seem to get around it. But my  
25 problem is everybody pays the same amount of sewage.

1 And my subdivision, \$37 plus, and I do not think this is  
2 fair in that we have some single people that live there.  
3 We have some people that's two, like my wife and myself.  
4 And I think it should be based on the amount of water  
5 you use. This would seem fair. Now to give you an idea  
6 of what \$37 plus change is in Laurel Meadows, there are  
7 a little over 200 houses there. And if you multiply it  
8 by \$38, we jacked it up a few cents, that's \$7,800 per  
9 month. And that's the focus. They're going to build a  
10 house not too far for where I live. And they go through  
11 some process and pump it out in a lagoon. Now, somebody  
12 is making pretty good change on that. And people are  
13 wondering where the money goes. While I may not be as  
14 bright as I think I am, but I think when you got a out-  
15 of-state address, this money is going north, it's going  
16 out of the State of South Carolina. Somebody, like some  
17 of the other people said, somebody is making some very,  
18 very good money on us as a consumer. And this is  
19 basically what I wanted to say. But I think you forgot.  
20 I just wanted to give you an idea of what my  
21 neighborhood is facing. Thank you very much. Any  
22 questions?

23 CHAIRMAN MITCHELL: Any questions? Thank  
24 you very much.

25 **JASON OWENS,**

1 Having been first duly sworn, testified as follows:

2 My name is Jason Owens. I live at 129 Devonport  
3 Drive in Irmo, South Carolina, 29063. I've been there  
4 almost exactly two years. I'll try to keep it short. I  
5 moved there two years ago. I wasn't aware of the water  
6 problem, you know, shortly thereafter I found out that  
7 we couldn't drink the water, couldn't cook with it,  
8 couldn't wash clothes with it. Couldn't do anything  
9 with the water due to the smell, the taste of it, and  
10 the dishwasher and the sink. And I've got several  
11 pictures here I have taken, just to show you some of the  
12 effects.

13 Before too long I had them come to the house, and  
14 he said he can't make it. This is a picture, and I'll  
15 submit this if I can. This was brand new two years ago  
16 when I moved in the house. And you can just see - and  
17 also there's a picture - the water company has a main  
18 line right next to my house, and they built a brand new  
19 line across the road. They dug up the corner of my yard  
20 adjacent to the other yard. This was over a year ago.  
21 And even the pictures taken this afternoon, it shows you  
22 exactly what it looks like. Thank goodness we had the  
23 rain the other night so it shows where the rain is  
24 standing in the holes in my yard. And I refuse to fix  
25 it. I just refuse it. It's not my responsibility. I

1 didn't make the problem, I'm not going to fix it. I'll  
2 submit these.

3 CHAIRMAN MITCHELL: What we're going to  
4 do is we're going to submit that as one  
5 composite exhibit, and that will be Hearing  
6 Exhibit 11 in the evidence of this case.

7 (HEARING EXHIBIT 11, marked for evidence.)

8 A Okay. So my wife and I decided we would call the  
9 water company after this happened. A couple weeks went  
10 by, and I guess finally you get tired of trying, banging  
11 your head against the wall. I quit calling. So  
12 somebody came through the neighborhood selling a water  
13 filtering system. With their help, we made a decision  
14 to purchase the system. I mean, at that point we were  
15 buying bottled water. Actually, to be honest, I was  
16 born in my dad's house where I was raised on well water.  
17 We never liked bottled water so we drank some of it. We  
18 decided to purchase the system. I can tell you it costs  
19 \$100,000 to filter the water between their lines before  
20 it goes to my house. So it ended up being some 70 to  
21 \$150 a month for Carolina Water. I'm paying another  
22 \$130 a month so I can drink and I can use it. In my  
23 honest opinion it's them who should be paying me every  
24 month because I'm having to pay for this water system.  
25 I'm getting a product that I can't even use. And if you

1 look at the fixtures in the toilet, the shower heads, I  
2 mean, every appliance in the house, I don't see how  
3 anybody can put that in their bodies.

4 So we purchased this filter. I'm paying \$130 a  
5 month. And the yard has not been fixed, and I think  
6 every time this rate increase comes up people come out  
7 and fight against it, it gets approved. And it takes a  
8 lot for me to express this way a lot, I'll be honest  
9 with you. I'm a redneck and this doesn't allow me to  
10 say what I really want to say. But I just want to  
11 present these pictures. And I've got a couple others.  
12 And it shows various angles of this problem. And also  
13 the water system that I purchased, this is a picture of  
14 the system that's in my house. I just ask that you  
15 please not vote for a rate increase. And I kind of echo  
16 a little of a lot of other people. If there was any  
17 other option, I would do it. If I could I would build a  
18 well and a septic tank at my house. I know that's not  
19 an option, but we're sick of it. I'm just so tired of  
20 banging my head against the wall. I almost gave up, and  
21 the people in the neighborhood would call me, and I just  
22 want to present my information to you. And I'll submit  
23 these last two pictures. And that's all I have.

24 CHAIRMAN MITCHELL: Commissioner Moseley.

25 EXAMINATION

1 BY COMMISSIONER MOSELEY:

2 Q Give me your address one more time, please.

3 A 129 Devenport Drive.

4 Q Spell it.

5 A D-E-V-O-N-P-O-R-T.

6 Q All right, thank you.

7 CHAIRMAN MITCHELL: Any other questions.

8 EXAMINATION

9 BY COMMISSIONER CLYBURN:

10 Q And what's the name of your community?

11 A Subgate Subdivision.

12 Q And you made mention of and you showed pictures of the  
13 disturbance in the yard. Tell me again when that took  
14 place.

15 A The new house was built about a year and a half ago.  
16 And apparently they had to bring in a new line from one  
17 side of the river to the other. And they dug up that  
18 section of the yard between my house and the other  
19 house. And what has happened, you know, they covered  
20 the pipe, and they may have sent a subcontractor, I  
21 don't know. But they didn't patch the dirt around  
22 enough. And now there are holes and the water standing  
23 there. And it's a spot probably 12 foot by three or  
24 four feet wide. It's just sitting there. And like I  
25 said, I called them about it, no response. And I just

1 finally said, I'm done.

2 Q You called up, but you never wrote a letter?

3 A No, no.

4 Q Okay. Thank you.

5 CHAIRMAN MITCHELL: Any other questions?

6 Okay. Thank you, sir, very much. Anyone  
7 else? I want to remind you of several things.  
8 Mr. Dong will give us a time of the hearing at  
9 the Commission offices.

10 MR. DONG: The merits hearing will be  
11 held at the Commission meeting room, Synergy  
12 Park, 101 Executive Center Drive on July the  
13 20th, which is a Thursday at 10:30 AM. And  
14 it's scheduled to continue on through Friday,  
15 July 21st, 10:30 AM. And if you want to check  
16 on the status of your - of the case you can  
17 check by going to the World Wide Web,  
18 [WWW.PSC.SC.GOV](http://WWW.PSC.SC.GOV).

19 CHAIRMAN MITCHELL: And I also wanted to  
20 remind you we have people over at the desk  
21 here. If you have any other questions you  
22 would like to ask tonight please feel free to  
23 ask. We certainly appreciate everyone who's  
24 come tonight. At this time we're going to  
25 close this hearing.

1  
2

(The hearing adjourned at 8:53 PM.)



STATE OF SOUTH CAROLINA    )  
                                          )  
COUNTY OF   LEXINGTON        )

CERTIFICATE

BE IT KNOWN THAT I TOOK THE FOREGOING  
PUBLIC SERVICE COMMISSION HEARING;

THAT I WAS THEN AND THERE A NOTARY PUBLIC IN  
AND FOR THE STATE OF SOUTH CAROLINA-AT-LARGE;

THE FOREGOING TRANSCRIPT OF 87 TYPEWRITTEN PAGES  
REPRESENTS A TRUE, ACCURATE AND COMPLETE TRANSCRIPTION OF THE  
TESTIMONY SO GIVEN AT THE TIME AND PLACE AFORESAID TO THE  
BEST OF MY SKILL AND ABILITY;

THAT I AM NOT RELATED TO NOR AN EMPLOYEE OF  
ANY OF THE PARTIES HERETO, NOR A RELATIVE OR EMPLOYEE OF  
ANY ATTORNEY OR COUNSEL EMPLOYED BY THE PARTIES HERETO,  
NOR INTERESTED IN THE OUTCOME OF THIS ACTION.

WITNESS MY HAND AND SEAL THIS 28TH DAY OF JULY,  
2006.

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SARA L. QUATTLEBAUM  
NOTARY PUBLIC FOR SOUTH CAROLINA  
MY COMMISSION EXPIRES JULY 12, 2012